



Department of Justice

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ISRAELI CHEMICAL COMPANY AGREES TO PLEAD GUILTY TO PRICE FIXING AND CUSTOMER ALLOCATION CHARGES

WASHINGTON, D.C. -- An Israeli chemical company, Dead Sea Bromine Company Ltd., today agreed to plead guilty and pay a \$7 million criminal fine for participating in a price fixing conspiracy to suppress and eliminate competition in connection with the sale of certain flame retardant and fumigant products in the United States, the Department of Justice announced. This marks the first time the Department has charged an Israeli company with violating U.S. antitrust laws.

In a one-count criminal case filed today in U.S. District Court in Dallas, the Department charged Dead Sea Bromine Co. Ltd. with conspiring to allocate customers and fix, increase, and maintain the price for certain bromine products -- TBBA, DECA and 100 percent methyl bromide -- sold by it and an unnamed corporate co-conspirator in the U.S. beginning in July 1995 and continuing until April 1998.

TBBA is an acronym for tetrabromobisphenol-A, a flame retardant used in the manufacture of epoxy, phenolic and polycarbonate resins. DECA is an acronym for decabromodiphenyloxide, a flame retardant used in the manufacture of thermoplastics and fibers. These chemicals are used primarily in consumer electronic products to reduce the risk of fire.

One hundred percent methyl bromide is a colorless, odorless gas used in its pure form for commercial and industrial space fumigation. This gas is primarily used to rid commercial and

industrial buildings of vermin. Each of these products is manufactured with bromine. Dead Sea Bromine Co. Ltd., headquartered in Beer Sheva, Israel, is the world's largest producer of elemental bromine.

“Today’s case demonstrates the Department’s continuing resolve to thwart illegal activities that harm American businesses and consumers, regardless of the location of the culprit,” said Joel I. Klein, Assistant Attorney General in charge of the Department’s Antitrust Division.

According to the charge, Dead Sea Bromine Co. Ltd. joined and participated with other unnamed co-conspirators in the conspiracy to suppress and eliminate competition in the United States by:

- participating in meetings and conversations in the United States, Europe, Israel and elsewhere to discuss the prices of TBBA, DECA and 100 percent methyl bromide sold in the United States and the allocation of customers in the United States to whom certain of the products would be sold;
- agreeing to fix, increase, and maintain prices at certain levels in the United States;
- agreeing to allocate among the corporate conspirators the customers in the United States to whom certain of these products would be sold by each conspirator;
- exchanging sales and customer information for the purpose of monitoring and enforcing adherence to the above-described agreements; and
- selling such products at the agreed-upon prices and in accordance with the agreed upon customer allocations in the United States.

Previously, the Antitrust Division has prosecuted firms and individuals from numerous foreign countries, including Canada, Mexico, Germany, France, Spain, Sweden, Switzerland, the Netherlands, Belgium, Italy, the United Kingdom, the Dominican Republic, South Korea and Japan.

Dead Sea Bromine Co. Ltd. is charged with violating Section 1 of the Sherman Act, which carries a maximum fine of \$10 million for a corporation. The maximum fine may be

increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

The continuing investigation is being conducted by the Antitrust Division's Dallas Field Office and the Federal Bureau of Investigation in Dallas.

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